

Analyses of financing needs of SMEs by size and age in Albania

Eugen Musta
Marin Barleti University

Abstract

Small and Medium Enterprises (SME) play a very important role in the economy as the biggest employer and also with a contribution of more than 50 % of the turnover and value added. Because of this they have been the subject of many studies and analysis on various aspects of their activity. The most typical approach when studding them has been their comparison by size, but the literature suggest that age can also be an influential factor on firm behavior and decisions specially when it comes to financing options and constrains. This study compares these two approaches in an attempt to find out which one is actually better in explaining firms' behavior in Albania. For this purpose we analyzed different patterns of behavior of firms of different sizes and ages on the usage of several bank services regarding their external financing options. The results suggested that size is a better explanatory on firm financing options and constrains, but age even though not being a good explanatory variable on its own it can nonetheless be a very good supporting argument when combined with size and by this can help develop a better understanding of the behavior within size groups.

Keywords: Albania, SMEs, Financing, Size, Age.

Full Text: [PDF](#)



This work is licensed under [Creative Commons Attribution 3.0 License](#).

European Journal of Economics, Law and Social Sciences ISSN 2519-1284 (print) ISSN
2510-0429 (online)

Copyright © IIPCCCL-International Institute for Private, Commercial and Competition law